



**North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities
and Substance Abuse Services**

RRM Section • Accountability Team

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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Michael Moseley, Director

August 14, 2006

Memorandum

To: CAP-MR/DD Medicaid Providers

From: Jim Jarrard, Accountability Team Leader
DMH/DD/SAS, Resource & Regulatory Management Section

Subject: 2005/2006 Medicaid Audit of CAP-MR/DD Providers.

Between September 11, 2006 and November 2, 2006 the NC Division of MH/DD/SAS will conduct Medicaid audits of CAP-MR/DD providers. The sites and weeks of audits for all directly enrolled providers are enclosed, and also available on the website indicated below.

Please keep this letter throughout the audit process for reference purposes.

**Note: All documents required for preparation for this audit event
are posted on the DMH/DD/SAS website:**

<http://www.dhhs.state.nc.us/mhddsas/>

1. CAP-MR/DD Providers Included in This Year's Audit:

- A listing of the CAP-MR/DD providers to be audited and the audit site information is enclosed, and is also available on the website identified above.
- **You will receive specific scheduling information (date and time), directions to each audit site, along with your list of records to be audited.** This packet of information will be placed with UPS for delivery no later than two (2) weeks before each audit date.
 - √ The list of records will have names, birth dates and Medicaid numbers.
 - √ If a name is listed more than once, it means that more than one service date for that individual was randomly chosen for audit.
 - √ If you have not received this list by one (1) week prior to your audit date, please contact Sandee Resnick at 910-612-5730, or sandee.resnick@ncmail.net; or Barbara Flood at 919-218-3872, or barbara.flood@ncmail.net.

2. Audit Process:

- All events for the **CAP-MR/DD providers** audit will be drawn from paid claims dates from January 1, 2006 – April 30, 2006. **These paid claims dates may include services provided on any date from Oct 1, 2005 – March 19, 2006. Service records audited must have required documentation from Oct. 1, 2005 forward.**
- The audit sample will consist of ten (10) primary and five (5) backup randomly selected events per provider. A total of fifteen (15) events will be included in each sample.
- If an event which is included in the audit sample was paid back to Medicaid prior to the provider's receipt of the list of records to be audited, that event will be omitted and the next numbered event from the alternate list will be substituted.
- On the date of the audit, service records and supporting documentation must be located at the audit site indicated on the audit schedule.
- All individual agencies are responsible for maintaining or arranging the security of their records.
- Once the audit is complete and auditors have left the site, **no additional documentation will be accepted by the DMH/DD/SAS or DMA auditors.**
- **The Medicaid audit tool** that will be used to monitor compliance is attached. The tool will determine Medicaid compliance in areas related to a specific date of service and the staff who provided the service.
- It is required that the provider **make available on-site, staff persons who are familiar with agency records** for their Medicaid audit.
- Service documentation needed for review **must be indicative of what was current and in place for all possible dates of service from Oct. 1, 2005 – June 15, 2006 inclusive.**
- **Documentation required** on-site includes:
 - √ **Service Orders** for all possible dates of service.
 - √ **Service Plans** current for all possible dates of service. (Note: this could be a Service Plan that is prior to the current one, i.e., is not in effect now, but was at the time of the service date being reviewed.)
 - √ **Service Documentation** for all possible dates of service.

- √ **Staff training / qualifications** in place for all possible dates of service. *If, by agency policy, your agency continues to use a privileging process to determine that staff are qualified, then evidence of such privileging must be provided in addition to evidence of meeting any other training required by the State, the CAP-MR/DD waiver as applicable and/or your policy.*
- √ **Staff training on Alternatives to Restrictive Interventions**, including at a minimum, annual updates.
- √ **Staff supervision plans and evidence of supervision taking place per supervision plan and supervision policies for any Associate Professionals and Paraprofessionals.**
- √ Evidence the appropriate **criminal record check** was completed (per GS 122C-80) prior to the date of service being reviewed.
- √ **Health Care Personnel Registry checks** completed prior to the date of service being reviewed.
- √ **Policy and Procedure Manual** showing policies in effect for all possible dates of service.
- √ **Legal documents related to guardianship and/or the legally responsible person** when applicable, i.e., in instances where the natural parent is not the guardian of a child, or an adult has been adjudicated incompetent.
- √ Evidence of **enrollment with Medicaid** for the service provided.

Please have all items available for review at the audit site.

3. Division of Medical Assistance (DMA) Information:

- **Once the Medicaid audit is complete, no additional documentation will be accepted for review by the DMH/DD/SAS or DMA auditors.**
- This is a targeted audit on a limited sample of issues identified on the Medicaid audit tool. This audit does not represent all the items or issues that may be reviewed by DMA or other entities such as the NC Attorney General's office as allowed by applicable policies, State and Federal Regulations.
- DMA Program Integrity has the authority and responsibility to expand the scope of this audit as necessary to encompass all applicable recoupment or other sanctions.

4. Audit Completion:

- At the completion of the record review, the audit team will leave copies of the Medicaid events reviewed and found out of compliance. This transaction constitutes official notification of events found out of compliance.
- **Requests for reconsideration of Medicaid audit findings are directed to the Division of Medical Assistance (DMA).**
- **Out of compliance findings that represent a systemic issue may require that a Plan of Correction be submitted to the Division of MH/DD/SAS.** Information on the DMH/DD/SAS process for submitting plans of correction will be included in the audit report.

NOTE: Please complete the attached Provider Response Form regarding the contact information for future communication about the logistics of the audit process, either by fax, mail, or by emailing or telephoning the information to Belinda Beardsley **by Aug. 22, 2006.**

You can reach Belinda Beardsley at:

Belinda.Beardsley@ncmail.net

(919) 508-0968 (FAX).

(919) 881-2446 (Phone)

Or mail to her at the address on our letterhead

If you have questions concerning the information in this memorandum, or anything else related to the upcoming 2006 audit event, please contact:

Sandee Resnick

sandee.resnick@ncmail.net

910-612-5730 / cell

Barbara Flood

barbara.flood@ncmail.net

919-218-3872 / cell

We look forward to a successful audit.

CC: Carol Robertson

Pat Delbridge

Bob Hedrick

DMH/DD/SAS Executive Leadership Team (ELT)

Attachments:

CAP-MR/DD Audit Tool and Instructions

Provider List by Audit Site

Provider List by Provider Name